

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates
2014 - 2015

Department/Agency: ATO

Question: 39

Topic: Disputes with Pharmaceutical companies

Reference: Spoken – 02 June 2015

Senator: Dastyari, Sam

Question:

Senator DASTYARI: Are there any current active tax disputes between the ATO and multinational pharmaceutical companies?

Mr Konza: By tax disputes, do you mean assessments that have been objected to and are going to court? I would have to take that on notice. I do not know.

Senator DASTYARI: Does that mean you do not know any or what? I am pushing on it a bit here, aren't I?

Mr Konza: No, I am sorry, I do not know.

Senator DASTYARI: How many active tax disputes does the tax office have going to court at the moment? Is that a figure you have? I guess it changes.

Mr Olesen: From memory, I think it is something in the vicinity of 800 disputes that find their way either to the AAT or the courts in the course of a year.

Senator DASTYARI: I am aware of the issue of 'pharmaceutical' and whether some of those companies would be defined as pharmaceutical companies. I am not going to ask you for the specific number because I know that would mean you would have to make determinations. There are companies at the edges here—some you know are black and white; some are at the edges. The question on notice I am asking is more of a yes or a no as opposed to a specific number.

Mr Jordan: I think Mr Konza has mentioned that there are some investigations going on, so, whether they are a formal audit or whether they are a risk assessment, clearly there is activity in the industry. Whether there is any particular case lined up because we have issued assessments, they have objected, we have disallowed the objection, I think is the question we are taking on notice. I did want to clarify there clearly are investigations happening in that industry.

Answer:

39. There are no current disputes, in the Administrative Appeals Tribunal or Federal Court, between the ATO and taxpayers in the pharmaceutical industry.